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September 11, 2006

VIA FACSIMILE

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Hon. Liane M. Randolph, Commission Chair
Luisa Menchaca, Esq., General Counsel
Fair Political Practices Commission
428 J Street, Suite 800
Sacramento, CA 95814

Re: Prenotice Discussion of Proposed Regulation on Reporting of Mixed State and
Federal Expenditures by Political Party Committees and Required Committee
Bank Accounts

Dear Chairwoman Randolph and Ms. Menchaca:

This law firm is counsel to the Los Angeles County Democratic Central Committee, also known as the Los Angeles County Democratic Party (LACDP).

After review, the LACDP believes that the staff-proposed regulation on reporting of mixed state and federal expenditures by political party committees to be discussed at the Commission's meeting tomorrow is likely to be found to be preempted by federal law.

Moreover, the staff-proposed regulation imposes complex additional reporting requirements on party committees which are unduly burdensome and are likely to chill core First Amendment speech while serving no compelling state interest. Notably, even without the proposed rule, especially since the enactment of the Bipartisan Campaign Reform Act, the costs of reporting and compliance for local party committees, such as the LACDP, have become disproportionate to the amount expended; and, for the LACDP's sister county parties (many of which are much smaller and unable to afford the services of a professional treasurer and experienced campaign finance counsel), these costs are often a significant impediment to political activity. The extensive bookkeeping and/or accounting required for the dual reporting contemplated by the staff-proposed regulation will only exacerbate this problem. This proposal also has a significant potential to lead to less accurate reporting by county parties, the vast majority of which are ill-equipped to deal with complexity of dual allocation regimes. Accordingly, the LACDP respectfully recommends that the Commission decline to issue a notice of proposed regulation along the lines proposed by staff.

Hon. Liane M. Randolph

September 11, 2006

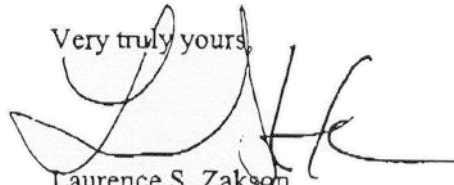
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In contrast to the staff proposal, the proposal of the Bell, McAndrews and Hiltachk law firm is much more narrowly tailored to the specific areas in which state regulatory guidance is likely to be helpful. Moreover, while LACDP has not given the language in this proposal the level of scrutiny necessary to opine on all of its specifics, it believes that the proposal provides a useful framework for the Commission's goal of obtaining full and timely disclosure of political party expenditures with an impact on state elections without imposing complex alternative allocation formulas and the undue cost inherent in the staff proposal.

For this reason, the LACDP strongly believes the Bell, McAndrews and Hiltachk proposal provides a better starting point for regulatory action.

On behalf of the LACDP, I thank you for your consideration of these comments in your deliberations concerning this important matter.

Very truly yours,



Laurence S. Zakson
of REICH, ADELL, CROST & CVITAN

LSZ/caw

cc: Commissioner Philp Blair
Commissioner Sheridan Downey, III
Commissioner A. Eugene Huguenin, Jr.
Commissioner Ray Remy
Eric C. Bauman, Chairman, LACDP
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